

Important turning point in Arab economic action

This is the last of a three-part series based on a lecture given by Dr. Fakhri Qaddouri, secretary general of the Council of Arab Economic Unity (CAEU), during a recent visit to the Vienna headquarters of the United Nations Industrial Development Organization. In the first two parts, the writer gave a historical background to joint Arab economic action and discussed CAEU's structure and steps taken so far to increase cooperation and coordination among the Arab League's member states. Today, Dr. Qaddouri gives an outline of the Arab Economic Unity Agreement and the economic resolutions adopted at the 11th Arab summit conference in Amman last year, and evaluates the progress of joint Arab economic action.

The Arab economic unity agreement

AS MENTIONED in the previous part that the Economic Council of the Arab League in the mid-1950s had felt the need for an agreement that would be based on new foundations and to which member states of the Arab League would be committed. Accordingly, the Arab Economic Unity Agreement has come into existence; reasons for creating such an agreement are clearly stated in its duration as follows:

The signatories desirous of organising and consolidating economic relations among the Arab League states on bases that are consistent with the natural and historical links among them; to provide the best conditions for the flourishing of their economies, development of their resources and attainment of prosperity of their countries, have agreed on the establishment of complete economic unity among themselves and on the achievement of such unity in a gradual way but as fast as possible so that the transfer of their countries from the status quo to the target status is accomplished without rendering any damage to their basic interests.

So far, 13 Arab states have signed the agreement and that is more than half the number of member states of the Arab League. These 13 states, listed according to the dates of ratification, are Kuwait, the Arab Republic of Egypt, whose membership was suspended, the Republic of Iraq, the Syrian Arab Republic, the Hashemite Kingdom of Jordan, the Arab Republic of Yemen,

Democratic Republic of Sudan, the People's Democratic Republic of Yemen, the United Arab Emirates, Democratic Republic of Somalia, Peoples Socialist Libyan Arab Jamahiriya, Islamic Republic of Mauritania and Palestine.

The main features of the Arab Economic Unity Agreement may be summed up as follows:

- The basic long term objective of the agreement is the achievement of economic unity among Arab countries.
- The agreement specifies that the achievement of this objective guarantees for the Arab states and their citizens certain freedoms and rights; namely, freedom of personal and capital mobility, freedom of exchange of foreign and national goods and products, freedom of residence, work, employment and practice of economic activities, freedom of transportation and transit and the rights of possession, bequeath and inheritance.

Furthermore, the agreement specifies the way by which the signatories can accomplish economic unity, namely, by merging their countries into a single customs area subject to a unified administration, by unification of their customs tariff and customs legislation and regulations, by unification of import-export policies, by unification of transport and transit regulations, by signing multilateral trade and payment agreements jointly with other countries, by coordinating trade, agricultural and industrial policies and by unification of economic legislation such that it would guarantee equivalent conditions for all citizens of the signing states working in agriculture, industry and other professions.

- The third important feature of the agreement is the linkage between governing the procession toward economic unity and the procedural form of decision making. To guarantee expediency in the decision making process, the agreement specifies that the Council of Arab Economic Unity may take its decisions by a majority of two thirds of the votes of member states and not necessarily unanimously.

These three main features altogether are only found in the Arab Economic Unity Agreement.

A comprehensive view of CAEU's activities

THE COUNCIL of Arab Economic Unity has concentrated its efforts on several basic activities or gateways to economic integration. These include the following:

- The Arab Common Market with its broad multiple targets, customs, administrative and technical requirements.
- Joint Arab production through the establishment of joint venture companies and specialised producers' associations and unions.
- Developing infrastructures that play a basic role in increasing linkages among Arab economies.
- Planning activities leading to coordination between the development plans of the individual countries and formulation of a joint Arab development plan.
- Legal and procedural activities leading to the creation of the necessary environment to facilitate reaching the ultimate goals through multilateral agreements and unification of legislation and

terminology.

- Monetary and fiscal efforts that culminated in the council's initiative to establish the Arab Monetary Fund.

The Amman summit

The 11th Arab summit conference held in Amman, between Nov. 25-27, 1980, adopted four documents, namely:

- The strategy of joint Arab economic action.
- The convention of national economic action.
- The unified agreement for the investment of Arab capital in the Arab states.
- The decade of joint Arab development.

Following are the basic contents of each of them:

1) The Strategy of Joint Arab Economic Action

This document represents an important turning point in the Arab economic movement due to its emphasis on Arab unity and development, and its dependence on the principle of Arab national planning for the joint economic sector.

In addition to dealing with development planning on an Arab national level and a joint Arab development plan, the document deals with setting the time limits (1981-2000) of the Arab strategy and within the limits of the available resources.

As for the requirements for implementing the strategy of the joint Arab economic action, the document points out that:

The General Administration for Economic Affairs of the General Secretariat of the League of Arab States, jointly with the General Secretariat of the Council of Arab Economic Unity, shall coordinate what the Arab institutions have presented, and shall formulate the final plan for joint Arab action, to be presented to the Arab Economic Council for adoption. In the field of instruments of implementation the document calls for the following:-

The elimination of obstacles facing the implementation of the existing multilateral agreements, and the work towards continuous coordination between the Arab Economic and Social Council and the Council of Arab Economic Unity, through cooperation between the two organisations.

2) The Convention of National Economic Action

The second basic document that was adopted by the 11th Arab summit conference is the Convention of National Economic Action, in which it was endeavoured to include stable principles and bases for Arab-Arab and Arab-international economic relations. It was actually adopted to ensure the continuity of joint Arab economic action and its support. In this respect it points out the following:-

The Arab countries shall be committed to isolate the joint Arab economic action from Arab disputes, and to protect it from sudden political shocks and disputes.

The convention asks the Arab countries to work in such a way that the final target of any Arab economic cooperation and integration must be to transform the economies of the Arab countries into an Arab economic unity.

3) The Unified Agreement for the Investment of Arab Capital in the Arab States:

The Agreement states that the contracting parties shall allow the free mobility of Arab capital among them, and shall encourage and facilitate its investment in accordance with the plans and programmes for economic development in these countries, leading to the benefit of the host and investing countries. The contracting countries shall undertake to protect the investor and safeguard his investment and its returns.

This agreement is considered an important attempt for finding a common investment area among the contracting countries.

4) The Decade of Joint Arab Development

Saudi Arabia, Iraq, Kuwait, the United Arab Emirates, and Qatar have committed themselves to allocate \$5 billion for financing the first "Decade of Joint Arab Development" at an annual rate of \$500 million to be divided among them in percentages to be agreed on during the decade.

It was agreed that the total amount that was agreed on for the first decade of the 1980s can be increased in the light of the growing need and the financial capabilities of Arab countries.

The project aims at accelerating development in the least developed Arab countries through financing their development projects, giving priority to big projects that assist in strengthening economic relations among Arab countries and the realisation of Arab economic integration with the objective of raising the economic and social standards of their people.

It was also agreed that financing shall be in the form of easy loans with a 1 per cent interest rate. The loans would be repayable after a 10-year grace period from the start of the project, and they would be repaid in equal annual instalments for a period of 20 years.

It is worth noting that what has been allocated for the Decade of Joint Arab Development is considered an addition to the financial resources provided by the existing Arab funds on the national and individual country levels.

The door has been left open for the remaining Arab countries capable of participation to take part in this project in the future, as a fulfillment of their national duty.

Evaluation

IT IS NOT EASY to give an objective evaluation of such a complex and comprehensive work as joint Arab economic action. However, in relative terms it can be concluded that the economic side of joint Arab action has moved in substantially big steps in comparison with the political side of joint Arab action, even though the achievements on both sides of joint action have not reached, in general, a satisfactorily advanced level in relation to expectations.

The difficulties facing joint Arab economic action are primarily due to the following:

- The general development stage of the Arab states which are still considered as developing countries.
- Weakness of the political side of Arab joint action.
- Differences in the basic economic and political systems in the Arab states.
- The influential role that such considerations as political and institutional interests play in the limitation of development and progress of joint economic action among Arab countries.

JORDAN MARKETPLACE

RESTAURANTS & BARS

RESTAURANT CHINA
"The First & Best Chinese Restaurant in Jordan"
First Circle, Jabal Amman
Near Ahliyyah Girl's School
Open Daily
12:00 - 3:30 p.m.
6:30 p.m. - Midnight
Tel. 38968
Take Home Service Available

Shepherd's Pub
Enjoy a cold glass of draught beer and a game of darts in a truly English Pub atmosphere at the Shepherd Hotel Pub. Open 12 noon to 1 a.m. Snacks & steaks served.

Philadelphia Hotel
THE NEWEST DISCO IN THE 'N
IN THE OLDEST HOTEL IN AMMAN
NOW AT PHILADELPHIA
OPEN HOTEL
my place
SUPER DISCO
FOR RECALL ONLY
COUPLES ONLY
Open 12:00 - 2:00

Holiday Inn
Bonne cuisine et atmosphere tres elegant at
Le Relais
Nightly 7-12 p.m.
Res. 63100

RESTAURANT TAIWAN TOURISMO
Opposite Akilah Maternity Hospital
3rd Circle, J. Amman Tel. 41033
Try our special "Flaming Pot" fondue during your next visit.
Take-away orders welcome.
Welcome and thank you.

To advertise in this section
phone 6771-2-3

Mandaloun Restaurant
We Promise the Finest Cuisine to Suit every taste
4th Circle
Next to Ambassador Club
Tel. 43584

MANDARIN Chinese Restaurant
FULLY AIR CONDITIONED
Wadi Saqra Road
East of New Traffic Bridge
Across From Holiday Inn
Tel. 61922
AMMAN

TRANSPORTATION

CLEARANCE SHIPPING - TRAVEL & TOURISM AIR FREIGHT - PACKING
AMIN KAWAR & SONS
Travel & Tourism
General Sales Agents for:
SAS - Scandinavian Airlines
Thai Airlines
Tel. 37195, 22324-5-6-7-8-9
Tlx. 21212, 21520, 21614
P.O. Box 7806, Amman

JORDAN EXPRESS CO.
PACKING & CRATING
AIR & SEA FREIGHT
TRAVEL & TOURISM
Tel. 62722, 62723
38141, 22565
tlx. 21835 P.O. Box 2143

To advertise in this section
phone 6771-2-3

Philadelphia Rent-A-Car
ALL NEW CARS
FULLY INSURED
Philadelphia Hotel
Tel. 25194

ORIENT TRANSPORT
FOR YOUR AIRFREIGHT, SEAFREIGHT, OVERLAND TRANSPORT, PACKING & HOUSEHOLD REMOVAL
CONTACT US FOR A QUOTATION.
TEL. AMMAN 84128-9-30
AQABA 2135
TLX. 21547 P.O. BOX 825489

NATIONAL RENT-A-CAR
1981 MODELS AVAILABLE
TEL. 39197-8

AQABA

Holiday Inn
Now featuring George on the organ nightly from 7:00-11:00 p.m. in the Coral Lounge.
Tel. 2426 Tlx. 62263 JO

MANDARIN Chinese Restaurant
FULLY AIR CONDITIONED
AQABA
Amman road beside Samir Amis Restaurant
Tel. 4633

CHINA RESTAURANT
The first and best Chinese restaurant in Aqaba. Take-away service available.
Open daily 11:30-3:30, 6:30 - 11:00 p.m. Tel 4415

CHINA RESTAURANT
ABOVE HOMAM SUPERMARKET
GRINDLAYS BANK
AQABA THEATER
OMAR AL-SHARIF BAR
AQABA MUNICIPALITY

MISCELLANEOUS

Scandinavian
See the latest in Danish sitting room furniture, wall units and bedrooms at Scandinavian Showroom. We have a large selection of sitting rooms in luxurious Chintz material. Furniture available tax-free to those entitled!

Ghalia
For a good look!
At Ghalia we have everything to make you look your best... that includes expert hair styling, beauty care treatment & the finest in beauty care products.
Shmeitan, near Tower Hotel

SATELLITE RENT A CAR
fleet & individual rental
representatives
MADALI / NEAR HUSSAIN DAM / TEL. 25767

FINLANDIA
VISIT THE NEW FINLANDIA SHOWROOM
DISTINCTIVE GIFTS OF ALL SORTS
FINNISH DESIGN GLASS & EARTHENWARE
HOME & OFFICE FURNITURE
Our new Tel. No. 39494
See map for directions.

ECONOMY

Bonn, Ankara sign \$250m aid pact

BONN, Sept. 15 (R) — West German Foreign Minister Hans-Dietrich Genscher signed an agreement today giving Turkey aid worth 590 million marks (\$250 million), the foreign ministry said.

Economic aid of 460 million marks (\$195 million), will go this year to support the Turkish government's economic programme under an Organisation for

Economic Cooperation and Development (OECD) agreement.

Defence aid of 130 million marks (\$55 million) will run until the middle of 1982 and be devoted to help Turkey meet its NATO commitments and to strengthen the alliance's southeast flank, the ministry statement said.

The OECD, which comprises 24 industrial nations, agreed at a

May meeting in Paris to give Turkey \$940 million of aid in credits, grants and export guarantees.

The economic aid is divided into 330 million marks (\$140 million) of low-cost import credits and 130 million marks (\$55 million) of aid for capital projects, a spokesman for the ministry of economic cooperation said.

The economic aid package was agreed by the West German par-

liament in principle last June, but held up for consideration by committee because of worries about the political situation in the country.

Turkey last year received special rearmament aid of 600 million marks (\$254 million), as well as 130 million marks in regular defence aid and economic aid worth 560 million marks (\$237 million).

West Germany vetoes aid to Poland

BONN, Sept. 15 (R) — West Germany has blocked early approval of a new one billion marks (\$424 million) EEC aid package for Poland, a top foreign ministry official said.

Peter Corrier, minister of state at the foreign ministry, who represented Bonn at the EEC foreign ministers' meeting in Brussels yesterday, said in an interview on "Deutschlandfunk" radio today that he vetoed the proposed EEC package.

He said he made clear at the meeting that he could not pledge his

country's participation in a credit of such proportions without first squaring it with German Finance Minister Hans Matthöfer.

An economic ministry spokesman said West Germany was expected to contribute about 250 million marks towards the package to help the Polish economy.

Bonn's existing commitments to helping the Polish economy could put a burden of about a billion marks on next year's federal budget, after adding 600 million marks this year, the spokesman said.

The growing trade in Turkish debt

By Metin Muzir

ISTANBUL: The Turkish Government's scheme for settling some \$1.3 billion of unpaid debts to foreign companies has created a lucrative international market in which these debts are being traded.

The debts are to suppliers who sent goods to Turkey on the basis of cash against goods or cash against documents without insuring themselves with bodies such as the British Export Credits Guarantee Department.

Between 7,000 and 10,000 companies were hit when Turkey was unable to transfer the foreign exchange to settle the debts, which were mainly incurred between 1977 and 1979.

The market in these non-guaranteed trade areas has arisen because of the long payment delays proposed by the Government. As a result, rights to the debts are trading at around one-

third of face value.

In January and May last year, the Turkish Government set out two options to unpaid suppliers. The first, known as the foreign currency option, meant that suppliers who wished to be repaid in foreign exchange would be repaid over 10 years, with the first payment being made after 4½ years. Companies would receive between 3 and 8 per cent interest depending on the currency they selected.

The second, Turkish lira option, allows companies to be paid in Turkish lira on demand. The Turkish lira can be used inside Turkey in a number of ways

specified by the Government, but they are not transferable abroad.

It is this second option and the opportunities it offers in Turkey which have led to the growth of the market in which the debts are being traded.

The sums involved are large. So far some \$500 million of the debt has been registered with the Central Bank for repayment in Turkish lira, as compared with around \$600 million to be repaid in foreign currency; companies owed the remaining \$200 million have not indicated how they wish repayment.

The current settlement price ranges between 32 and 36 per cent of the face value of the claim, including 2 per cent broker's commission, according to bankers in London. The price seems to be going up as more and more people in Turkey and abroad wake up to its advantages.

The market seems to offer benefits all round: —The supplier is offered the opportunity of cutting his loss. He gets between 32 and 36 per cent of his claim in foreign currency and is

able to place the remainder on his balance-sheet as a loss.

—The purchaser of the debt obtains Turkish liras cheaply, at around 315 or more a dollar compared with the official exchange rate of 120 a dollar.

—The Turkish Government also appears to believe it is benefiting. Debts incurred in foreign currency are being liquidated in Turkish liras. Further, the money is being used at a time of relative stagnation when investment is limited.

The demand for the so-called "non-guaranteed trade areas" (NGTAS) comes mainly from Turkish citizens. Some large private groups like Cukurova and Transurk are reported to have made large purchases.

Cukurova is said by bankers to have bought \$65 million worth of NGTAS. Other big buyers include some Turkish banks and contractors working abroad. The funds thus secured are commonly used as working capital and, less frequently, for new investments. Money is scarce in Turkey and the rate of interest on a six-month bank loan is over 60 per cent.

Industrial states to boost their aid to poorest nations

PARIS, Sept. 15 (R) — Major industrial countries have agreed at a conference in Paris to boost substantially their aid to the world's poorest countries, according to official sources.

A compromise agreement was reached after a two-week United Nations conference on development aid, attended by 155 nations.

Industrial countries said they would increase aid to the world's 31 poorest nations either by giving 0.15 per cent of their Gross National Product (GNP) or doubling their present contributions.

The developing "Group of 77" had wanted a commitment to 0.15 per cent of GNP by 1985 but some industrial countries said the target was too severe in the present economic climate.

Under the agreed text, industrial countries are also committed to strive for an overall Third World aid commitment of 0.7 per cent of GNP.

Moscow doubles petrol price

MOSCOW, Sept. 15 (R) — The Soviet government announced yesterday that it had doubled the price of petrol and raised the cost of alcohol and tobacco by 17-27 per cent.

The Chairman of the State Committee on Prices, Nikolai Ghushkov, announced the rises on Moscow's mid-evening television news and said they would come into effect Tuesday.

He said the rises in tobacco and alcohol prices had been suggested by working people and were intended to limit their consumption.

The prices of jewellery, cut-glass, carpets, furniture, chinaware, leather clothing and fur articles would rise by 25-30 per cent and knitwear, haberdashery, some drugs, household goods and cosmetics by 12-37 per cent, he added.

Rumours of the impending increases spread through the city over the last few days and long queues for vodka, petrol and luxury goods formed outside shops and service stations.

LONDON EXCHANGE RATES

LONDON, Sept. 15 (R) — Following are the buying and selling rates for leading world currencies and gold against the dollar at the close of trading on the London foreign exchange and bullion markets today.

One sterling	1.8330/50	U.S. dollar
One U.S. dollar	1.2001/2004	Canadian dollar
	2.3350/65	West German marks
	2.5810/40	Dutch guilders
	1.9950/80	Swiss francs
	38.21/26	Belgian francs
	5.6075/6125	French francs
	1185.50/1186.00	Italian lire
	225.30/60	Japanese yen
	5.6250/75	Swedish crowns
	5.9240/50	Norwegian crowns
	7.3650/75	Danish crowns
One ounce of gold	457.00/458.50	U.S. dollars

LONDON STOCK MARKET

LONDON, Sept. 15 (R) — The market closed lower, extending yesterday's sharp falls which followed yesterday's action by the Bank of England through the money market to push up short-term interest rates, strengthen sterling and restrict bank lending, dealers said. Closing levels were above the day's lows, and, at 1500 the F.T. index was down 9.9 at 532.0 after a low of 529.0.

U.K. government bonds showed net falls ranging to around ¼ point but the steadier trend of sterling tended to prevent further falls, dealers added. Losses in equity leaders were pared due to technical factors and gold shares were drifting easier.

North American issues closed lower.

ICI closed 2p easier at 272 and GEC reduced 13p fall to 3p at 744p. B.P., Glaxo, Shell, Plessey, Blue Circle, Thorn EMI, Bowater and Lucas eased between 4p and 9p.

Banks, insurances and the rest of the equity sector ended above the lowest levels.

Consolidated Gold Fields ended a net 2p off at 526 after fall year results and British Aerospace was 3p easier at 223 following interim figures. Willis Faber lost 5p at 395 also after interim results among insurance brokers.

Financial Times news feature

TELECOMMUNICATIONS CORPORATION INVITATION TO TENDER NO. TCC 6/81

OUTSIDE PLANT AND TRANSMISSION WORKS

The Telecommunications Corporation (TCC) of the Hashemite Kingdom of Jordan invites the submission of tenders for the provision, installation, testing and commissioning, on a turnkey basis of:-

- CATEGORY II: Local cables and related civil works, and/or
- CATEGORY III: Transmission system and related power facilities

of the expansion of Urban Telephone Exchange and Transmission Network Project in the Hashemite Kingdom of Jordan.

Participation in this tender is open to the nationals of the eligible source countries* as defined in the Loan Agreement, September 25, 1980, between the Overseas Economic Cooperation Fund (OECF) of Japan and the Government of Jordan.

Tender documents and relevant instructions can be obtained from:

The Secretary of Tender Committee, TCC, Third Circle, Jabal Amman.

Against payment of a non-refundable fee of JD 300. The latest date for bid submission to TCC Headquarters in Amman is 14:00 hours on Sunday 15th Nov. 1981.

Tender documents include:

- Volume I: General Conditions of Tender and Contract, and Annex to Volume I
- Volume III: Technical Specifications for Outside Plant Facilities (Parts 1 & 2) and "Drawings for Outside Plant"
- Volume IV: Technical Specifications for Transmission System (Parts 1, 2 and 3)

* NOTE: As for the eligible source countries, reference may be made to the Secretary of Tender Committee. A Copy of the List of Eligible Source Countries can be seen on the Notice Board at TCC Headquarters also.

Eng. Mohammad Shahid Ismail Director General

The Cellars
are opening Thursday

Amman Marriott Hotel

AMMAN MARRIOTT HOTEL is accepting applications for the following positions:-

FOOD AND BEVERAGE

- Banquet Waiters
- Room Service
- Order Taker/Telephone Operator
- Cleaners
- Cooks
- Salad preparation Attendant
- Food store room Clerk
- Food store room Supervisor
- Administrative Assist. to the Executive Chef
- Busboys
- Barbacks
- Bartenders
- Assist. Lounge Mgr.
- Banquet Maitre D'
- Mini Bar Attendants
- Restaurant Hostess
- Restaurant Cashiers

Applicants must be Jordanian Nationals, speak fluent English and be 20 - 30 years of age.

Applicants should apply in person at the Arab International Hotels Co. opposite the Ministry of Trade and Industry - behind Libyan Arab Airlines Office

For further information please telephone 61416

عمان ماريوت

Amman Marriott Hotel

AMMAN MARRIOTT HOTEL is accepting applications for the following positions:-

ACCOUNTING

- Receiving Clerk
- Purchasing Clerk

ROOM AND RELATED

- Front desk Receptionist/Cashier
- Reservation Clerks
- Bellmen
- Housekeepers
- Laundry Attendants
- Telephone Operators
- Gift shop sales Clerk

Applicants should apply in person at the Arab International Hotels Co. opposite the Ministry of Trade and Industry - behind Libyan Arab Airlines Office

For further information please telephone 61416

عمان ماريوت

AGENT IN JORDAN

MOUASHERBROS. CO.

AMMAN - KING HUSSEIN ST. OPP. CINEMA ZABRAN TEL. 22349 P.O. BOX 156 TELEX 21590

<p>رافعات محمولة واشخاص ارفاق محمولة</p>	<p>معدات مركزية متكاملة</p>	<p>معدات إسمنت محمولة على توك</p>	<p>معدات إسمنت متنقلة</p>	<p>مسابر</p>
<p>مولدات كهرباء ديزل</p>	<p>محركات ديزل</p>	<p>جكات وريش حفرة وكسيرة</p>	<p>معدات اهتزازية</p>	

معدات الأمل

